

The Aluminum Situation

DEPARTMENT OF ECONOMICS AND STATISTICS

OCTOBER 1988

INDUSTRY SHIPMENTS INCREASE 1.6%

THRU AUGUST 1988

Total industry net shipments for the first eight months of 1988, reported at 10,976 million pounds, were up 1.6 percent from the eight month 1987 total of 10,799 million pounds.

Domestic shipments of 9,897 million pounds were down 1.1 percent from the eight month 1987 total of 10,010 million pounds.

Exports of ingot and mill products of 1,079 million pounds were up 36.7 percent from the first eight months of 1987 while imports declined 11.4 percent for the same period.

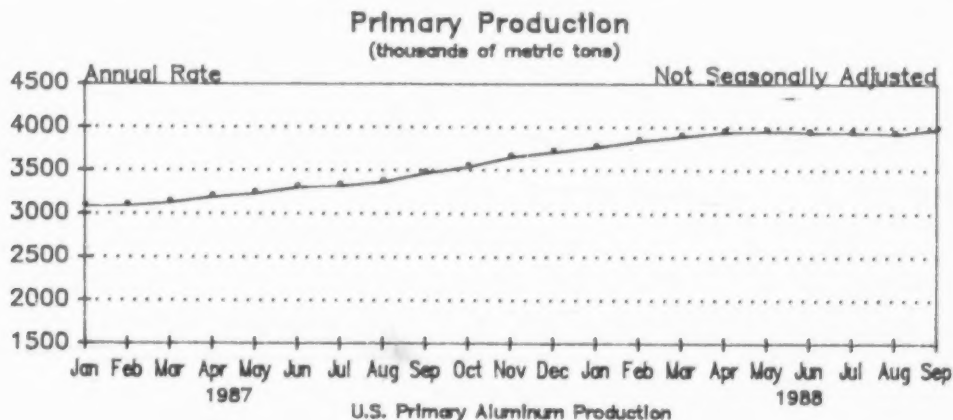
	1988 8 Mos.	1987 8 Mos.	% Change
Mill Products	8,965	8,756	2.4
Ingot	2,011	2,043	-1.5
Total	10,976	10,799	1.6
Less Exports	1,079	789	36.7
Domestic Total	9,897	10,010	-1.1

Figures in Millions of Pounds
Source: Bureau of the Census
U.S. Department of Commerce

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PRIMARY PRODUCTION DAILY RATE 10,885 METRIC TONS

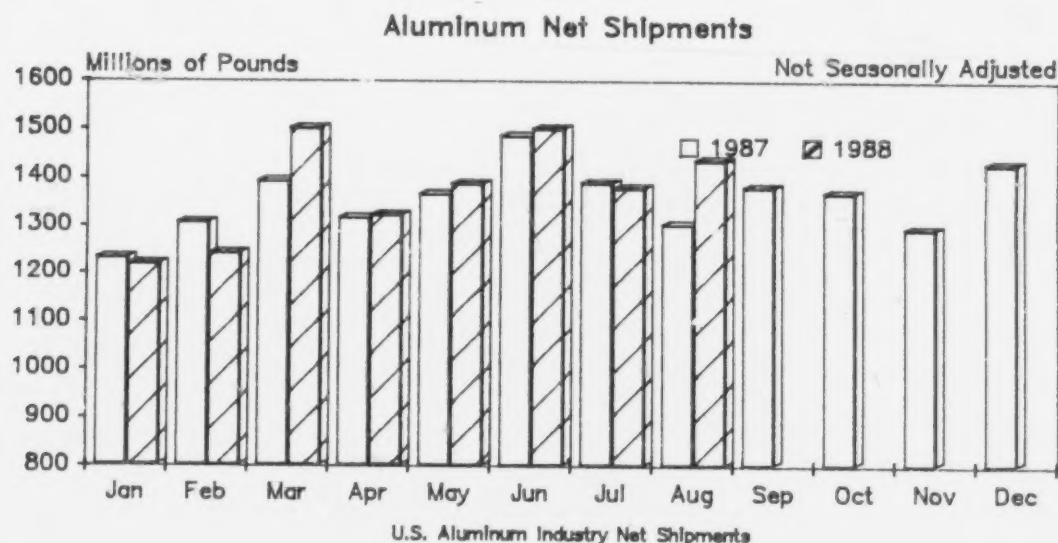
U.S. primary aluminum production averaged 10,885 metric tons daily during September 1988. This compares with an average of 9,522 metric tons a day in September 1987 and 10,728 metric tons a day in August 1988. The annual rate of production in September 1988 was 3,983,825 metric tons compared with 3,475,445 metric tons in September 1987 and 3,926,448 metric tons in August 1988. Actual production in September 1988 was 326,543 metric tons.



Aluminum Association total industry estimates are based on information reported by members, which is aggregated by the Association and then expanded to total industry data utilizing an expansion ratio that attempts to reflect the relationship of reporters to the total industry. While the Association believes that its statistical procedures and methods are reliable, it does not warrant the accuracy or completeness of the data. All data contained herein are subject to revision.

INDUSTRY NET SHIPMENTS INCREASE 1.6 PERCENT

Total industry net shipments for the first eight months of 1988, reported at 10,976 million pounds, were up 1.6 percent from the eight month 1987 total of 10,799 million pounds. Domestic shipments of 9,897 million pounds were down 1.1 percent from the eight month 1987 total of 10,010 million pounds.



NET SHIPMENTS

(Millions of Pounds)

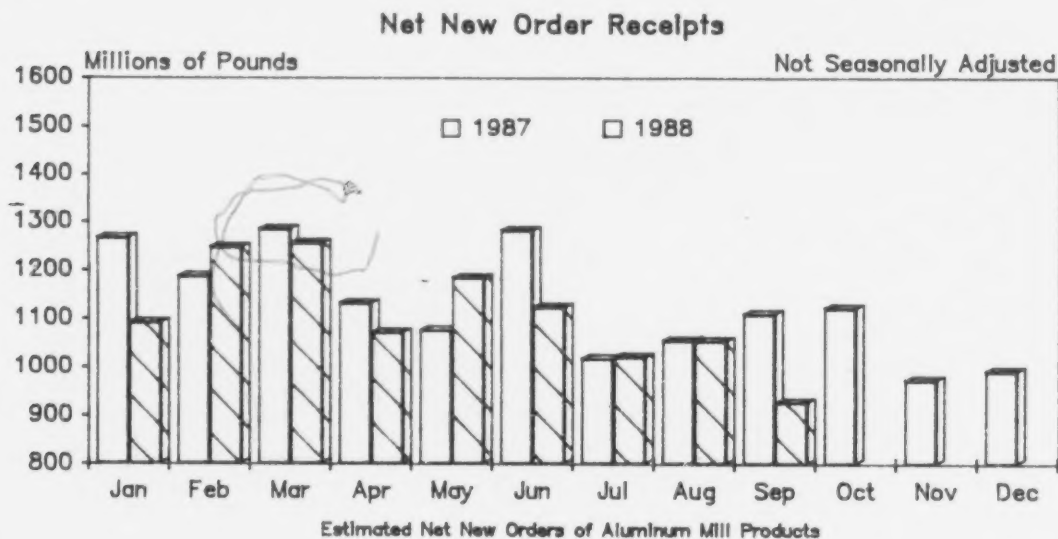
	1988 August	1987 August	1988 8 Mos.	1987 8 Mos.	% Change 1988 vs 1987
Sheet	660.1	572.4	4,824.6	4,704.0	2.6
Plate	25.9	22.0	202.9	179.9	12.7
Foil	67.5	73.9	603.9	577.5	4.6
Rod, Bar & Wire	12.1	31.3	177.1	249.8	-29.1
Elec. Conductor	63.1	52.9	467.9	419.2	11.6
Extruded Shapes, Tube	238.4	236.4	1,879.0	1,867.0	0.6
Powder & Paste	6.2	8.4	53.4	62.2	-14.1
Forgings & Impacts	13.5	12.9	113.9	104.6	9.0
Net Imports of Mill					
Products (Total) (a)	59.8	67.0	642.1	592.1	8.4
Total Mill Products	1,146.7	1,077.2	8,964.8	8,756.2	2.4
Ingot (b)	290.8	226.6	2,011.4	2,043.1	-1.5
TOTAL INDUSTRY SHIPMENTS	1,437.5	1,303.8	10,976.2	10,799.3	1.6
Exports	177.4	113.3	1,079.2	789.2	36.7
TOTAL DOMESTIC SHIPMENTS	1,260.1	1,190.5	9,897.1	10,010.1	-1.1

Source: Bureau of the Census, U.S. Department of Commerce

(a) Not included in product data above.

NET NEW ORDER RECEIPTS DOWN 4.2 PERCENT

Estimated net new order receipts of aluminum mill products for nine-months of 1988, totaling 9,983 million pounds, declined 4.2 percent from the nine month 1987 total of 10,417 million pounds. Total net new orders of aluminum mill products for the month of September 1988 decreased to 929 million pounds, down 11.6 percent from the August 1988 total of 1,051 million pounds.



ORDER RECEIPTS (Millions of Pounds)

	1988 September	1987 September	1988 9 Mos.	1987 9 Mos.	% Change 1988 vs 1987
Sheet & Plate, Other	284.8	376.8	3,405.0	4,000.7	-14.9
Can Stock	259.9	286.6	2,986.2	2,711.4	10.1
Foil	70.7	97.8	752.1	792.8	-5.1
Bar, Rod & Wire	36.5	49.7	355.6	316.0	12.5
Electrical Conductor	96.3	60.7	615.2	496.2	24.0
Extruded Shapes & Tube	154.9	223.3	1,666.8	1,903.6	-12.4
Powder & Paste	12.6	4.0	86.0	78.2	10.0
Forgings & Impacts	12.8	11.8	115.9	117.6	-1.4
Total Mill Products	928.5	1,110.7	9,982.8	10,416.5	-4.2

Source: The Aluminum Association estimates total industry orders (including orders for imports) based on weekly reports by members of new orders (less cancellations) received. The Association expands these data to total industry utilizing an expansion ratio that attempts to reflect the relationship of reporters to the total industry. Weekly data are available on a subscription basis.

(a) Domestic only. Orders for imports of Can Stock are included in Sheet and Plate, Other.

PRODUCER INVENTORIES DECREASE 66 MILLION POUNDS

Producer inventories decreased in August 1988 to a total of 4,206 million pounds. This represents a 66 million pound decline from the revised July 1988 level of 4,272 million pounds.

Month-End Aluminum Producer Inventories By Type of Producer (Figures in Millions of Pounds)

	<u>Total</u>	<u>Ingot</u>	<u>Scrap</u>	<u>All Other</u>
May	4,388	1,354	607	2,427
June	4,258	1,353	664	2,241
July	4,272r	1,370r	672r	2,230r
August	4,206	1,288	750	2,168

Source: Bureau of the Census, U.S. Department of Commerce.
(r) Revised

CUSTOMER INVENTORIES REPORTED AT 36.7 DAYS

Respondents to the Association's Customer Inventory Survey reported that their Average Days Inventory as of August 31, 1988 was 36.7, down 0.1 percent from July 1988.

Month-End Aluminum Consumer Inventories (Average Number of Days)

May	35.9
June	36.4
July	36.8
August	36.7

Source: Aluminum Association - Customer Inventory Position Survey

U.S. Imports & Exports (Millions of Pounds)

	<u>1988 August</u>	<u>1987 August</u>	<u>1988 8 Mos.</u>	<u>1987 8 Mos.</u>	<u>% Change 1988 vs 1987</u>
Imports					
Mill Products	73.9	74.0	678.7	668.6	1.5
Ingot	175.9	211.2	1,580.2	1,879.9	-15.9
Total	249.8	285.3	2,258.9	2,548.5	-11.4
Scrap (+ dross)	35.8	29.9	301.9	289.3	4.4
Grand Total	285.6	315.1	2,560.8	2,837.8	-9.8
Exports					
Mill Products	79.8	52.1	557.7	418.5	33.3
Ingot	97.6	61.2	521.4	370.7	40.7
Total	177.4	113.3	1,079.2	789.2	36.7
Scrap	96.7	70.5	671.9	556.7	20.7
Grand Total	274.1	183.9	1,751.0	1,345.8	30.1
Net Imports	11.5	131.3	809.7	1,492.0	-45.7

Source: Bureau of the Census, U.S. Department of Commerce.